

**PALMER & DODGE LLP**  
ONE BEACON STREET, BOSTON, MA 02108-3190

KENNETH W. SALINGER  
(617) 573-0561  
ksalinger@palmerdodge.com

TELEPHONE: (617) 573-0100  
FACSIMILE: (617) 227-4420

July 3, 2001

**BY MESSENGER**

Bruce P. Beausejour, Esq.  
Verizon  
185 Franklin Street, Room 1800  
Boston, MA 02110

**Re: D.T.E. Docket No. 01-20 –  
Discrepancy Between SCIS Outputs and Verizon Switch Cost Workpapers**

Dear Bruce:

I write to memorialize the exchanges last week between AT&T and Verizon regarding a key discrepancy between the switch cost study filed by Verizon in early May, and the electronic SCIS model that Verizon provided as backup to its switch cost study. I also write to make clear that in preparing rebuttal testimony we are relying upon Verizon's representations that the electronic SCIS model provided by Verizon, and that outputs of that model as configured by Verizon, are accurate.

The issue concerns the "Getting Started" costs shown in Verizon's cost study in Workpaper Part C-2, Section 4, Page 1 of 3, line 1. These are part of the switch material investments that Verizon developed using the Switching Cost Information System ("SCIS") model developed by Telcordia. *See* Verizon's Direct Panel Testimony at 131 *et seq.* Verizon eventually provided proprietary electronic copies of the version of the SCIS model that it used to calculate these switch material investments, loaded with the inputs selected and used by Verizon. This was provided on a CD-ROM, a copy of which was filed with the Department as part of Verizon's cost study filing.

We have discovered that the Getting Started costs produced by the SCIS model as provided by Verizon differ, and are substantially lower than, the Getting Started costs shown in Verizon's workpapers for both 5ESS (Lucent) and DMS (Nortel) switches.

We first learned of this issue and I first raised it with you a week ago, last Tuesday, June 26, 2001. I also spoke about it with Bob Werlin. You asked that Cathy Pitts, our switching cost expert, call Robert Beyer of Verizon to discuss the matter. They spoke at the end of last week. Mr. Beyer was able to confirm the discrepancy. He confirmed that we have the correct version of the SCIS model, that the electronic version sent to us is properly loaded with the inputs selected and used by Verizon, and that the Getting Started costs produced by the SCIS



Bruce P. Beausejour  
July 3, 2001  
Page 2

model are indeed substantially lower than the numbers shown in Verizon's workpapers. He was able to confirm that the Getting Started costs calculated by the SCIS model provided by Verizon to us matches the Getting Started costs calculated by the SCIS model when he runs it at Verizon.

Since this SCIS model is what Verizon filed as part of the backup for its switching cost study, and since Verizon has confirmed that we have the correct version which produces results matching those obtained by Verizon itself from SCIS, we will rely upon Verizon's representations that this is the correct electronic backup for the material investments in Verizon's switch cost study. In particular, we will rely upon these representations as we prepare rebuttal testimony for filing in less than two weeks.

Very truly yours,

Kenneth W. Salinger

pc: Service List (by electronic mail only)